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## Fifth Committee

**Summary record of the 10th meeting**
Held at Headquarters, New York, on Wednesday, 25 October 2006, at 10 a.m.

*Chairman*: Mr. Yousfi ..... (Algeria)
*later*: Mr. Mitsopoulos (Vice-Chairman) ..... (Greece)

*Vice-Chairman of the Advisory Committee on Administrative and Budgetary Questions*: Mr. Abraszewski

## Contents

Agenda item 125: United Nations common system

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*The meeting was called to order at 10.05 a.m.*

**Agenda item 125: United Nations common system**
(A/60/723; A/61/30, A/61/381 and A/61/484)

1. **Mr. Bel Hadj Amor** (Chairman of the International Civil Service Commission), introducing the report of the International Civil Service Commission (ICSC) for the year 2006 (A/61/30), said that in view of the deferment to the current session of the discussion of parts of the reports of the International Civil Service Commission for the year 2004 (A/59/30) and for the year 2005 (A/60/30 and Corr.1) it would be useful for him to review some of the pending issues from the 2005 report, especially the recommendations now superseded by recommendations made in the report for the year 2006 (A/61/30).

2. In its 2005 report the Commission had set forth new mobility and hardship arrangements designed as a flat rate of salary on a cost-neutral basis; it now proposed a new implementation date of 1 January 2007, which would have no financial implications as the arrangements were to be delinked from the base/floor salary scale. The first triennial review of the mobility and hardship allowance under the proposed revised methodology should still be conducted in 2008.

3. The vulnerability of staff members in the current perilous times could not be overstated. The recommendations set out in paragraph 147 of the 2005 report had been designed to address the new challenges by increasing the level of hazard pay and expanding the payment criteria. The Commission had also recommended that the revised methodology for the review of the mobility and hardship allowance should be applied to hazard pay, again with the first review in 2008.

4. The Commission had decided to combine its recommendation on adjustment of the base/floor salary scale for 2005 and 2006 to reflect the two-year movement of the comparator net salaries. Thus the recommendation contained in paragraph 193 of the 2005 report was superseded by the one contained in paragraph 94 (a) of the 2006 report. The margin level for 2005 had been 111.1, while for 2006 it was 114.3; the average level for the past five years was 111.4.

5. Three interrelated issues demonstrated the impossibility of taking decisions on human resources matters in isolation from each other. Firstly, in its 2005 report the Commission had presented a framework for contractual arrangements to reflect career and non-career service and help to harmonize the existing arrangements. It had decided to recommend three types of contract: continuing, fixed-term, and temporary. Secondly, with regard to the entitlements of internationally recruited staff serving at non-family duty stations, it had concluded in paragraph 161 that separate approaches should be maintained to meet the needs of different groups of staff serving under different types of appointment, in particular the personnel of peacekeeping operations and political and peacebuilding missions. Thirdly, in its 2006 report the Commission addressed the question of field missions and the practice of converting 300-series appointments (of limited duration) to 100-series. In the light of detailed information received from the United Nations the Commission had concluded that there were several constraints associated with the contractual status of mission personnel that impeded programme delivery. It had therefore decided to explore the question of career service for such personnel within the contractual framework recommended in the 2005 report and had set up a working group to examine the harmonization of entitlements and benefits across the system. Thus the recommendations contained in paragraph 181 of the 2006 report superseded the ones in paragraph 161 of the 2005 report.

6. The third matter was the grade equivalency study: it would not now be concluded until 2007, and the findings would be presented to the General Assembly at its sixty-second session. The delay was due to administrative problems in some of the reference countries.

7. Turning to the 2006 report, he said that under the established methodology for award of the education grant, increases in the level of the grant were triggered both by increases in school fees and by the percentage of claims above the level of allowable expenses. The Commission had made a number of adjustments to the methodology to deal with anomalies arising in France and Norway and had discontinued the special measures applicable in Romania. Full details would be found in paragraph 62 of the report. The Commission was in fact reviewing the methodology: it was considering inter alia the feasibility of lump-sum payments and ways of simplifying and improving the methodology, including the possibility of revising the eligibility criteria. The working group on the question was to

report its findings in 2007. The Commission also intended to review the methodology for determining dependency allowances, the revised levels of which were indicated in annex V to the report.

8. The Commission's periodic review of the advancement of women in the organizations of the common system had revealed only limited progress, especially at the senior levels. It had urged the organizations to implement policies to correct the imbalance and would continue to monitor the situation. Details of its recommendations would be found in paragraph 112 of the report.

9. Following its study of national professional officers the Commission had reaffirmed the principles established in 1994. It would continue the study by analysing the use of the relevant United Nations salary survey methodology in surveys of the salaries of national professional officers.

10. The pilot study of broad banding/pay-for-performance continued to advance, with good results reported, particularly in performance management in some of the volunteer organizations. The Commission intended to keep a close watch on the compliance of those organizations with the framework established at the start of the project, described in annex II to the 2004 report (Vol. 1). The study itself was described in paragraphs 19 to 32 of the 2006 report.

11. The Commission had recently completed its work on three other matters of interest. Firstly, it had concluded on the basis of its reviews of four national civil services for the purposes of a total compensation comparison not to proceed with a phase II study of any of them, as none was a suitable replacement for the current comparator. Secondly, in the light of the results of the place-to-place post adjustment surveys and the recommendations of its Advisory Committee on Post Adjustment Questions, the Commission had approved new post adjustment classifications for the nine locations covered by the surveys. Thirdly, the recommended salary scales resulting from the surveys of the conditions of service of General Service staff conducted in Paris and Montreal in 2005 and in Rome and New York in 2006 were set out in annexes IX and X to the 2005 report and in paragraphs 158 to 160 and 162 to 165 of the 2006 report respectively. Since it was particularly difficult to apply the survey methodology fully in New York because it had five separate categories of locally recruited staff, the Commission had decided to discontinue separate surveys: in future it would survey only the New York General Service category and apply its findings to the others.

12. The Commission had been provided with a progress report by the United Nations System Chief Executives Board for Coordination (CEB) on plans for the further development of the Senior Management Network. However, some issues, such as consistency of purpose and coordination between senior managers in different organizations, remained unclear. The ICSC role was to facilitate and monitor the introduction of criteria for entry to the network and the establishment of a balance between cultural diversity and organizational needs. It had requested regular updates on the situation.

13. **Ms. Nowlan** (Programme Planning and Budget Division) introducing the Secretary-General's statement of the administrative and financial implications of the decisions and recommendations contained in the reports of the International Civil Service Commission for 2005 and 2006 (A/61/381), said that the statement covered the programme budget implications for the biennium 2006-2007 of the decisions on the base/floor salary and staff assessment scales; post adjustment; the education grant; hazard pay; and the conditions of service of General Service staff in New York. As reflected in the statement, the requirements under the programme budget for the current biennium resulting from the recommendations and decisions of the Commission would be taken into consideration when the first performance report for the biennium was completed.

14. **Mr. Abraszewski** (Vice-Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) on the administrative and financial implications of the decisions and recommendations contained in the reports of the International Civil Service Commission for 2005 and 2006 (A/61/484), said that consistent with past practice the Advisory Committee had confined its consideration of the financial implications of the recommendations contained in the ICSC report to those submitted to the General Assembly by the Secretary-General in his statement (A/61/381). The Advisory Committee had not commented on the recommendations themselves or on their underlying methodology. It had no objection to the Secretary-General's proposal that the financial

implications of the recommendations for the programme budget for the biennium 2006-2007, estimated at US$ 9,562,100, should be reflected in the first performance report for the biennium.

15. **Mr. Herman** (United Nations System Chief Executives Board for Coordination), introducing the note by the Secretary-General on the mobility and hardship allowance (A/60/73), said that in the statement adopted by the Chief Executives Board for Coordination at its second regular session of 2005 organizations had stressed the important role that a mobile workforce played in their ability to achieve their strategic goals, and had put in place policies that sought to enhance staff mobility. In order to arrive at the new mobility and hardship scheme, organizations had worked closely and collaboratively with the International Civil Service Commission. The executive heads fully supported the product of that joint effort, and urged the General Assembly to approve the new scheme.

16. *Mr. Mitsopoulos (Greece), Vice-Chairman, took the Chair.*

17. **The Chairman**, in accordance with General Assembly resolution 35/213, invited the President of the Federation of International Civil Servants' Associations (FICSA) to make a statement.

18. **Mr. Weissel** (Federation of International Civil Servants' Associations) said that FICSA had participated fully in the Commission's deliberations on common system issues during 2006, and its views were clearly indicated in the report (A/61/30), albeit in a much shorter form than it would have liked due to restrictions on the length of documents.

19. FICSA continued to be concerned with regard to some of ICSC's recommendations made in 2005 which were still pending. One major issue was the proposed mobility and hardship scheme. While FICSA would have preferred to retain the existing scheme, it believed that the proposal represented the best compromise in light of the limitations set at the outset, and it fully supported the Commission's recommendation that the new scheme should be implemented as of 1 January 2007.

20. As for the salaries of staff in the Professional and higher categories, FICSA took note of the Commission's recommendation for an increase of 4.57 per cent in the base/floor salary scale on a no loss/no gain basis with effect from 1 January 2007, and that the recommendation reflected the movement of comparator net salaries for both 2005 and 2006. FICSA remained seriously concerned, however, that the United States/United Nations net remuneration margin had not reached the desirable midpoint of 115 in its five-year average since 1997, and was disappointed that ICSC had not made a clear recommendation for a return to the 115 midpoint. FICSA was also deeply disappointed that ICSC had decided to conclude its current Noblemaire study to identify the highest paid national civil service by retaining the current comparator, since it did not believe that the study had been sufficiently comprehensive or inclusive.

21. With regard to the conditions of employment of General Service staff, feedback from a number of field locations had indicated an urgent need to increase the level of participation of local salary survey committees. FICSA would work with ICSC and the responsible organizations to that end.

22. FICSA noted that the progress reports on the pilot studies on broad banding and pay-for-performance indicated that most of the five volunteer organizations participating were taking measures to ensure that they had viable performance appraisal mechanisms in place. That was something of a paradox, since at the outset of the study one of the conditions for participation had been that the volunteer organizations already had such systems in place. FICSA reiterated its long-standing and serious concerns about the present review of the pay and benefits system, and the relevance of such concepts as pay-for-performance and broad banding to the common system. FICSA was also concerned over reports that the volunteer organizations had not adhered strictly to the criteria established for the pilot study, thereby running the risk of making a mockery of the parameters set, with the additional risk that the results would be skewed, thus making it impossible to conduct a fair and proper evaluation.

23. Adoption of the ICSC generic contractual arrangements framework was still pending, and he repeated that any new arrangements must not only be fair and transparent but should also offer the possibility of career service to a designated proportion of staff. FICSA urged the Committee to reject any contractual terms of service that did not provide for that possibility. The safeguarding of an impartial and independent international civil service depended on the possibility of a career international civil service.

24. FICSA was pleased that ICSC had urged the organizations to establish policies and strategies to achieve improved gender balance. It was the very minimum that had to be done, since the United Nations system still had a long way to go before it achieved gender parity, particularly at the higher levels. It was also imperative to seek an understanding as to why there was an unacceptably high exit rate among women after a relatively short period of service. FICSA supported ICSC's recommendation to establish a working group to examine the conversion from the 300 series of the Staff Rules to the 100 series and the interim measures proposed, and looked forward to participating in the working group.

25. FICSA stood fully behind ICSC's 2005 recommendation for a long overdue increase in hazard pay for Professional staff. In fact, FICSA would have wished to see an even bigger proposed increase, as it was not an area where corners could be cut or savings sought. For years, FICSA had been advocating that hazard pay should be paid to staff of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), but no payments had been made, and no funds had been earmarked. Noting that UNRWA staff working in Gaza and the West Bank, especially during the recent crisis, had been subjected to intense security concerns and were working in a volatile and difficult environment, he reiterated the suggestion that one possible solution might be for a special annual allocation from Member States, both donors and non-donors, to fund payment of hazard pay.

26. Regarding the recent crisis in the Middle East, FICSA expressed its condolences over the loss of life of civilian and military colleagues, and commended those who had acted swiftly to ensure the safety and security of a large number of staff members and their dependants. FICSA wished to remind the Committee that it was only through sustained, central and regular funding of the United Nations security management system that a consistent and sustainable level of protection could be assured to all staff throughout the system.

27. The review of ICSC was both important and timely, and would have a long-lasting impact on conditions of service. FICSA supported the first eight recommendations of the Panel on the Strengthening of the International Civil Service, which had proposed measures to strengthen the functioning and composition of the Commission. Reform of ICSC was sorely needed.

28. **Ms. Perhman** (Finland), speaking on behalf of the European Union, the candidate countries Croatia and Turkey; the stabilization and association process countries Bosnia and Herzegovina and Serbia; and, in addition, Iceland, Moldova, Norway and Ukraine, said that in the common system ICSC had a unique role to play at the centre of the triangle formed by Member States, the management and the staff. If the Commission failed to address the needs of the three parties and failed to find a proper balance between them, the Organization's work would be seriously hampered. ICSC should be the centre of expertise on issues of human resource management, guiding multilateral organizations inside and outside the United Nations system. The European Union welcomed the recommendations of the Panel on the Strengthening of the International Civil Service as a good basis for strengthening the Commission.

29. Some of the topics addressed by the Commission in its reports were straightforward, while others were more complex and required more time to digest. Some issues were interlinked. The European Union had been following with interest the developments of the pilot study, and looked forward to hearing more in informal consultations concerning the progress made and the difficulties encountered. The European Union intended to build upon the work already done and to strive to resolve as many issues as possible before the end of the main session.

30. **Mr. Garcia** (United States of America) expressed his delegation's continued disappointment that the Committee had been unable to reach consensus on a common system resolution at the sixtieth session of the General Assembly because of differences over the 19 recommendations contained in the report of the Panel on the Strengthening of the International Civil Service (A/59/153). It had still not been possible to reach agreement on approving any of them. His delegation was concerned that the General Assembly was sending a contradictory message by, on the one hand, calling for reform of the Organization in the World Summit Outcome and, on the other hand, failing to take action on any of the recommendations to reform ICSC. He urged delegations to end the unnecessary and embarrassing stalemate that had prevented action on the recommendations, including the conditions of service of staff.

31. With regard to the report of ICSC for 2006, his delegation noted the progress which some participating organizations were making in connection with the pilot study on broad banding/pay-for-performance, and emphasized the need to establish indicators to evaluate the pilot study's results. On the question of gender balance, his delegation shared the Commission's disappointment at the lack of progress and looked forward to discussion of its recommendations. With regard to the staffing of field missions, his delegation welcomed the Commission's decision to form a working group to review the entitlements of internationally recruited staff serving in non-family duty stations. The review would take into account the need to harmonize entitlements across the common system. His delegation looked forward to considering the results of the review, as well as the interim measures proposed by ICSC regarding 300- and 100-series appointments. His delegation was ready to work with others in considering proposals for reforming the Commission and the Commission's decisions regarding conditions of service for staff.

32. **Mr. Jha** (India), noting that ICSC made an invaluable contribution to the success of the common system, said that it was very important for suitable financial and other incentives to be given to the staff in order to attract the best and brightest talent available and to motivate serving staff. The recommendations made by ICSC concerning conditions of service both at Headquarters and in the field deserved serious and timely consideration if the United Nations system was to remain attractive, compared with the private sector, in the international job market. It was also crucial that measures being considered should be rule-based and non-discriminatory and applicable to all staff, whether at Headquarters or in the field.

33. India called for a sympathetic review of hazard pay and other entitlements of internationally recruited staff serving in field missions, particularly those in high-risk areas. Recognition of their outstanding service deserved to be manifested in some form of special compensation. On the vital issue of gender balance, India had repeatedly called for urgent implementation of all relevant General Assembly resolutions throughout the United Nations system. All organizations must be encouraged to achieve the set gender targets within a specified time frame, and those failing to do so should be held to account. India called for a special focus to be placed on the recruitment of women from developing countries.

34. **Mr. Kishimoto** (Japan) said that some of the Commission's proposals could be considered for action without further delay, while others, such as the contractual arrangements and entitlements of international staff, needed to be scrutinized with a view to creating a more coherent and reliable system in the context of human resources policy. On the issue of staff in the field, it was his delegations hope that the working group and the Commission at its next session would analyse the nature of the work being carried out by international staff in each participating organization of the common system, study salaries and recruitment systems, and carry out a similar study for non-international staff in order to provide a comparison.

35. The Commission's recommendation on the level of base salary and allowances respected the approved methodology, and the new arrangement relating to the mobility and hardship allowance would help to make the system more transparent. His delegation was encouraged by the Commission's diligence in its efforts to implement the pilot study on a broad-band pay scheme and conduct salary comparisons in accordance with the Noblemaire principle. He noted that the Commission would continue that work and extend it to leave entitlements, the methodology for determining the educational grant and the other questions listed in the annex to the report.

*The meeting rose at 11.25 a.m.*